

THE JACOBS REPORT

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DEMOCRATS LAUNCH ENVIRONMENTAL AGENDA

Michigan Senate Democrats announced plans to take their environmental message on the road in a series of town halls intended to bring public attention to Michigan's threatened natural resources. The caucus, led by Senator Liz Brater (D-Ann Arbor), is joined by many of the state's environmental leaders in promoting the "Five Lakes, Two Peninsulas, One Michigan" agenda.

"Our town hall meetings are intended to empower the public and bring attention to the threats and limits of our natural resources," said Sen. Liz Brater. "We must be proactive and protect our resources for our citizens, farms, and businesses."

Several of the state's major environmental groups—among them the Michigan Environmental Council, League of Conservation Voters, Clean Water Action, and PIRGIM will participate in the town halls and to urge action on issues impacting our natural resources and land conservation.

"Water is becoming increasingly valuable as other states attempt to divert our resources," said Brater. "Senate Democrats are committed to protecting and managing our water resources for our families and for generations to come."

Senator Brater and Senator Mickey Switalski (D-Roseville) are proposing legislation to protect Michigan's lakes and beaches from combined sewer overflows. The Environmental Protection Agency (EPA) is proposing rolling back federal standards to allow sewage overflows into our lakes. The Democrats will be introducing legislation here in Michigan to prevent sewage from entering our lakes and closing our beaches.

"We must not allow untreated sewage to enter our lakes and close our beaches," said Sen. Switalski.

"The citizens of Michigan care too much about our environment to allow sewage to be dumped into our state's lakes and streams," said Sen. Brater. "The EPA proposal is as much a threat to public health as to the environment."

Sen. Brater and Sen. Ray Basham (D-Taylor) are also introducing Senate Concurrent Resolutions urging the United States Coast Guard to immediately eliminate the "No Ballast on Board" exemption from regulations on ballast water management. Brater wants to mitigate the invasive species threat by requiring that all ships with ballast entering the Great Lakes conform to existing

federal ballast water regulations. Those that don't would be hit with hefty fines that could total \$25,000 per daily violation.

The regulatory loopholes that have allowed this steady stream of invasive species to continue must be stopped," said Brater. "We need to educate and engage the public if we ever expect the Coast Guard to deal seriously with this threat."

The first of the town halls is scheduled for May 18 in Washtenaw County. The Democrats will also hold events in St. Clair Shores, Saginaw, Muskegon, Grayling and the Upper Peninsula. Host Senators will be announcing more detailed event information.

HIGHER PERSONAL INCOME TAXES?

Republicans Consider Business Tax Elimination

Neglecting to act on Governor Jennifer Granholm's revenue-neutral plan to reform the Single Business Tax, legislative Republicans instead are considering total elimination of the SBT.

Overwhelming sentiment in the business community has been to improve the Single Business Tax, and Democratic Governor Jennifer Granholm's SBT plan reflects this view. The GOP has been reluctant to act on the governor's plan, and now some Republican legislators and business groups are saying that the SBT should be eliminated outright.

As the state's economy continues to struggle, there is strong sentiment on both sides of the aisle to make Michigan's tax structure more economically competitive.

But now that Republicans have had time to examine the governor's plan, they are reverting back to very basic questions about the state's tax structure, repeating the same issues that have been raised for the past ten years by previous legislators who have since left due to term limits.

It's as if the debate is starting over again from scratch.

"We're looking at every tax and fee in the state," House Speaker Craig DeRoche (R-Novi) said Thursday.

Rep. Fulton Sheen (R-Plainwell) said he has been collecting a large number of suggested proposals from businesses on how to approach the tax structure. Rep. Sheen is the House Tax Policy Committee chair.

In general, Rep. Sheen said businesses are asking to eliminate the SBT and not replace it.

"Of course businesses would prefer to eliminate the SBT," said Sen. Gilda Z. Jacobs. "I'm sure that, if given the choice, many individuals would also prefer not to pay personal income tax. However, the reality is that our physical and economical infrastructure has costs that most people feel are worth paying for."

The SBT is projected to provide \$1.86 billion in revenues for the current 2004-05 fiscal year, all to the general fund. Wiping out those funds with no replacement would mean massive cuts to higher education, health care for the poor, the State Police, prisons and regulatory agencies.

“How do [Republicans] plan to replace the revenue to the state budget?” asked Granholm press secretary Liz Boyd.

Ms. Boyd said it is obvious from the discussion taking place among Republicans that they have no plan of their own.

“It’s somewhat surprising that they would say they are just now going to start looking at how to restructure our tax on businesses at this stage of the game,” she said. “I think it’s a lack of vision, and I think in the end they need to take a step back and focus on the governor’s proposal.”

NEW MICHIGAN PLATES ON HORIZON

Efforts have begun to phase out Michigan’s decades-old blue and white license plates in favor of a new hi-tech plate that could help the police and beef-up state coffers at the same time.

The new plates, if approved by the Legislature, would contain a bar code that will contain critical information about the driver and the vehicle. Bar coding would allow police to obtain accurate information on insurance and registration, and also allow the authorities to determine very quickly if the car is stolen.

Motorists would no longer have to scramble for proof of insurance and registration, and the waiting time before being issued a ticket would be reduced.

The new plates would also address the problem of fraudulent license plates. Industry sources suggest anywhere between 3 and 7 percent of the blue and white plates on the road are counterfeit.

GOVERNOR UNVEILS NEW MERIT SCHOLARSHIP

Governor Jennifer Granholm visited Lansing Community College to unveil the details of the New Merit Scholarship. Standing with legislative leaders, educators, students, and parents, she called the new program an opportunity for all students to go to college.

“Every child growing up in Michigan today must have more than a high school diploma to compete in the 21st century economy,” said Granholm. “The New Merit Scholarship will open the door of higher education to more students and will ensure that they have the skills they need to be successful in the future. More college graduates with more workplace skills equals a more robust economy for our state.”

The New Merit Scholarship will guarantee every student who successfully completes two years of college a minimum of \$4,000 in scholarship support from state and federal sources – an amount roughly equal to two years of community college tuition.

Beginning with the high school graduating class of 2007, students will be eligible to receive this scholarship if they earn an associate's degree from a Michigan community college, achieve junior standing at a four-year Michigan college or university, or complete an equivalent technical or career training program. Previous high school requirements to receive a Merit Scholarship, including earning a diploma, completing 40 hours of community service, and taking the high school assessment test remain in place. Students must enroll in post-secondary education within two years of graduating from high school and reach the "two-year" milestone within four years. Military service does not count against these requirements.

"Michigan guarantees children a public high school education, and now we want to guarantee them a college education as well," said Granholm. "The New Merit Scholarship will put two years of college within reach for every student in our state and, thereby, strengthen the odds that they will complete their college education or its equivalent."

The over-arching recommendation of the Cherry Commission on Higher Education and Economic Growth was that the state must expect all students to continue their education beyond high school. The report also stressed the need to both increase participation and degree completion in higher education.

The funds from the tobacco settlement that currently fund the Merit Scholarship program will be deposited into a trust fund for the New Merit Scholarship once the obligations are met to the graduating classes of 2005 and 2006.

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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